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**Subject:** News: Grand Prairie's Delfasco Forge files for bankruptcy amid EPA negotiations, Dallas Morning News, 08/03/08  
**Date:** 08/05/2008 10:10 AM

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## **Grand Prairie's Delfasco Forge files for bankruptcy amid EPA negotiations**

Dallas Morning News, 08/03/08

<http://www.dallasnews.com/sharedcontent/dws/dn/latestnews/stories/080408dnmetdelfasco.428e6ea.html>

By JON NIELSEN / [jnielsen@dallasnews.com](mailto:jnielsen@dallasnews.com)

The company at the center of a hazardous chemical investigation in Grand Prairie has filed for Chapter 11 bankruptcy protection.

Delfasco Forge, which makes practice bombs for Air Force and Navy pilots, announced the decision last week. The bankruptcy comes less than two weeks after the Environmental Protection Agency ordered the company to clean up trichloroethylene, a noxious liquid found in groundwater near property owned by Delfasco Forge. "We intend to work cooperatively with the EPA to some form of resolution," said Steve Yoder, the company's lead attorney. "At this stage it's too early to tell how that will turn out."

In May, the EPA found excessive amounts of trichloroethylene, or TCE, in 10 of 18 homes and businesses sampled near the property at 114 N.E. 28th St.

The chemical, used to clean grease off metal, has been known to affect the nervous system and damage the liver and lungs, according to the Department of Health and Human Services Agency for Toxic Substances and Disease Registry. TCE is considered a likely carcinogen in people exposed to high levels in drinking water or in the air over long periods.

According to the bankruptcy filing, the EPA found that the water vapor intrusion into homes surpassed EPA standards. According to a notice sent to the company on July 18, the EPA ordered Delfasco to test more homes in the area and take action to clean up the contamination.

The company had until last Friday to negotiate a remediation plan, but Mr. Yoder said the bankruptcy will delay that deadline indefinitely.

EPA spokeswoman Tressa Tillman said her agency is working with the Texas Commission on Environmental Quality, the city of Grand Prairie, residents and Delfasco leaders to formulate a plan for remediation.

However, last Monday's bankruptcy filing hints that the company isn't financially stable enough to comply.

The filing stated that the lack of funds, the ongoing conflicts in Iraq and Afghanistan that have reduced the need for the company's practice bombs, and the EPA's order "have all coalesced very quickly into a perfect storm that has forced a formerly robust business to seek the protection of this court."

Mr. Yoder said the company had no choice but to seek protection.

"What I hope [bankruptcy] is, is actually the impetus to having productive discussions to solve this problem together," the attorney said.

Delfasco Forge, also a contract metal fabrication and forger, operated at the Grand Prairie site from 1981 until 1998. Before that, the site was a manufacturing facility dating to the 1950s. Delfasco now

leases the property to an automotive repair business.

Company officials have said they believe contamination occurred before Delfasco owned the property. Since 2002, the company has spent more than \$850,000 to identify the contaminated groundwater plume and to cover legal fees incurred while working with regulatory agencies.

Studies show that the underground plume extends under 65 acres to the north and east of the site and includes about 150 residential lots.

In 2006, several of those residents sued Delfasco, alleging property damage as a result of the contamination. The federal court case is scheduled to go to trial in May 2009.

Despite the bankruptcy, Mr. Yoder said negotiations with EPA officials will continue. "We've worked cooperatively with the EPA and have spent quite a bit of money to try to solve the existing problem. I don't think the approach is going to change."

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